

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
SECURITIES EXCHANGE ACT OF 1934
Release No. 91426 / March 29, 2021
WHISTLEBLOWER AWARD PROCEEDING
File No. 2021-35

In the Matter of the Claims for Award

in connection with

Redacted

Notice of Covered Action Redacted

ORDER DETERMINING WHISTLEBLOWER AWARD CLAIM

The Claims Review Staff (“CRS”) issued Preliminary Determinations recommending that Redacted (“Claimant”) receive a whistleblower award of over \$500,000, which is equal to *** percent (*** %) of the amounts collected, or to be collected, in the above-referenced Covered Action (“Covered Action”) and *** percent (*** %) of the monetary sanctions collected, or to be collected, in a related Redacted action, Redacted

(“Related Action”). Claimant provided written notice of Claimant’s decision not to contest the Preliminary Determinations.

The recommendations of the CRS are adopted. The record demonstrates that Claimant voluntarily provided the same original information to the Commission and to the Redacted and that this information led to the successful enforcement of both the Covered Action and the Related Action.¹

¹ See Securities Exchange Act of 1934 (“Exchange Act”) Section 21F(b)(1), 15 U.S.C. § 78u-6(b)(1); Exchange Act Rule 21F-3(a), 17 C.F.R. § 240.21F-3(a). See also *In the Matter of Claim for Award*, Release No. 34-84046 (Sept. 6, 2018) (for a whistleblower to obtain an award in connection with a potential related action, the whistleblower must “demonstrate [that he or she] directly (or through the Commission) voluntarily provided the governmental agency, regulatory authority or self-regulatory organization the same original information that led to the Commission’s successful covered action, and that this information led to the successful

In reaching this determination, we have relied upon Exchange Act Rule 21F-4(b)(7). That rule provides in relevant part that:

If you provide information to ... an entity's internal whistleblower, legal, or compliance procedures for reporting allegations of possible violations of law, and you, within 120 days, submit the same information to the Commission pursuant to §240.21F-9 of this chapter, as you must do in order for you to be eligible to be considered for an award, then, for purposes of evaluating your claim to an award ..., the Commission will consider that you provided [the] information as of the date of your original disclosure, report or submission to one of these other authorities or persons.

Thus, if an individual submits his/her tip through an entity's internal whistleblower, legal, or compliance procedures, the Commission, in considering an award application from that individual, will treat the information as though it had been submitted to the Commission directly from the individual at the same time that it was submitted internally, provided that the individual submitted that same information to the Commission no later than 120 days after the individual first reported internally. In this way, Rule 21F-4(b)(7) operates as a 120-day safe harbor, assuring individuals who voluntarily report misconduct internally (or to another agency) first that they will be treated for award purposes as though they had reported directly to the Commission.

Claimant reported the alleged securities violations internally to his/her employer's Redacted which in turn, Redacted who reported the information to Redacted. The Redacted then made a referral to Commission staff, prompting the opening of the Commission's investigation. Within 120 days of reporting the violations internally, Claimant submitted a tip via fax to the Commission. As such, Claimant satisfies the Rule 21F-4(b)(7) safe-harbor provision and, thus, in making awards to the Claimant for the Covered Action and the Related Action, we have treated the Claimant's submission to the Commission as though it had been made on the date that the Claimant provided that same information to his/her employer's Redacted

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enforcement of the related action.”) (citing Exchange Act Rule 21F-11(c); 17 C.F.R. § 240.21F-11(c)).

² In reaching this determination, we have also relied upon Rule 21F-4(c)(3), which provides that original information will be deemed to have led to the successful enforcement of a judicial or administrative action if: (1) the whistleblower reported original information through an entity's internal whistleblower, legal, or compliance procedures for reporting allegations of possible violations of law before or at the same time you reported them to the Commission; (2) the entity later provided the information to the Commission or provided results of an audit or investigation initiated in whole or in part in response to information the whistleblower reported to the entity; (3) the information the entity provided to the Commission satisfied either paragraph (c)(1) or (c)(2) of [Rule 21F-4]; and (4) the whistleblower submitted the same information to the

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In coming to this conclusion, the Commission considered that Claimant provided significant information that prompted the opening of the investigations by the ^{Redacted} _{Redacted} and Commission staff, met with them in-person, and continued to provide helpful documents. Because of Claimant's information and assistance, the Commission and ^{Redacted} were able to quickly file actions, shutting down an ongoing fraudulent scheme.

Commission in accordance with the procedures set forth in Rule 21F-9 within 120 days of providing it to the entity.

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Accordingly, it is hereby ORDERED that Claimant shall receive an award of *** percent (***%) of the monetary sanctions collected or to be collected in the Covered Action and in the Related Action, including any monetary sanctions collected after the date of this Order.⁵

By the Commission.

Vanessa A. Countryman
Secretary

⁵ The amounts ordered in the Covered Action were deemed satisfied by Redacted in the Related Action. Monetary sanctions collected by the Commission in the Covered Action or by the Redacted in the Related Action, including those that are either deemed to satisfy or are in fact used to satisfy any payment obligations of the defendants in the other action, shall not be double counted for purposes of paying an award. *See* Order Determining Whistleblower Award Claim, Rel. No. 34-88015, at n.3 (Jan. 22, 2020).